



Department of Veterans Affairs  
Health Administration Center

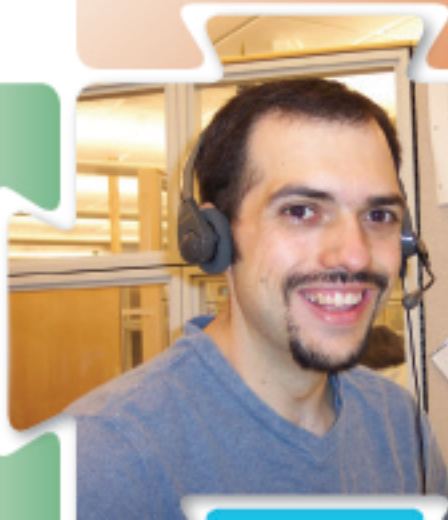
# Strategic Plan 2006 – 2008

## **The Center's Vision**

*To be the VA Expert in  
Health Plan Management*

## **The Center's Mission**

*To Efficiently Administer  
Health Plans*



## A message from the Director

Over the past several years, the Chief Business Office's Health Administration Center (HAC) has grown in both size and complexity. We have enjoyed four years of solid funding. We accomplished a lot of good things to put customer and staff-focused programs and processes in place. The results of our efforts ensure that our veterans and their families receive the best care possible. In addition, the HAC staff has a safe, enjoyable work environment. Everyone can be proud of what we accomplished and the way we did it.

Although we expect limited growth to our staff in FY 2006 and beyond, we also expect enrollment increases in the CHAMPVA program and an expansion to our involvement in the Fee program. Our major priorities for the coming year include rehosting the current HAC claims processing and eligibility system and the Fee program from a MUMPS environment into a contemporary JAVA/Oracle environment by December 2005. We also have an aggressive strategy to manage rising pharmacy costs and implement a VA managed health care approach.

As we continue to take on more responsibilities with greater complexity, we as a team, need to be prepared to take on these new challenges with innovative solutions that help us efficiently administer our health plans.



We must maintain our focus on our customers and our values. As budgets become tighter, it is sometimes easy to lose sight of both those we are here to take care of, and how we should accomplish our work. It is also a stressful time. A little humor, one of our values, is important to use liberally!

Tighten your belt, look for opportunities to save money, and continue to maintain your

passion for taking care of veterans and their family members. Thank you for all you do to provide great service to our special customers.

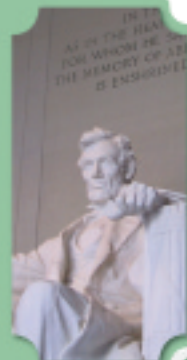
Ralph Charlip,  
FACHE, FAAMA,  
Director



## Why We're Here

*"...To care for him who shall have borne the battle and for his widow and orphan"*

Abraham Lincoln



## How We Do It

*With values of Integrity, Accountability, Trust, Challenge, Customer Service and Humor*



## HAC Goals, Objectives, and Strategies

We establish objectives and strategies to improve our products and services and to measure our performance in each of our six goals.



### HAC Goals

There are six major goals - Customer Focus, Staff Development, Quality Products, Save Money, Leverage Technology, and Compliance with Laws and Regulations - that provide a planned approach for deployment of the objectives and strategies for FY 2006 and future years.

#### Goal 1 – Customer Focus

Serving our customers well is our number one priority. We will continue to develop innovative customer feedback mechanisms and enhance communication with customers. We will take advantage of Internet capabilities and make smarter use of customer surveys and the Customer Advisory Council. We will improve timeliness and accuracy in all areas, especially claims processing, and we will expand benefits to meet our beneficiaries' needs, particularly in the area of preventive care.



**Objective 1.1 – Improve our response times to inquiries of all kinds.**

- Expand functionality of current EDI transactions
- Develop real-time electronic transaction processing

**Objective 1.2 – Improve our communications with veterans and their dependents.**

- Automate receipt of acknowledgement for all eligibility and claims-related documents
- Publish program handbooks
- Publish a Fee guidebook
- Develop and implement an online companion guide for electronic transactions for providers
- Expand outreach and education

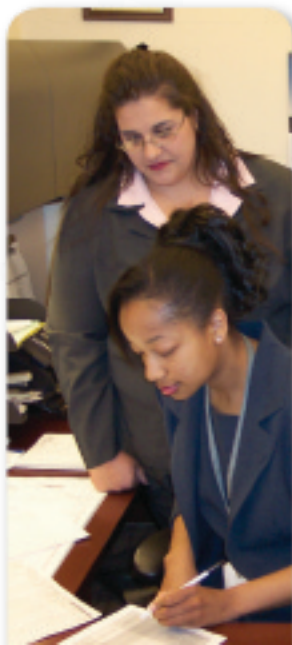


**Objective 1.3 – Expand benefits.**

- Provide maintenance medications to our Spina Bifida beneficiaries through our Meds by Mail program
- Provide access to a dental benefits plan
- Provide chiropractic benefits
- Expand preventive care benefits
- Provide for telemedicine
- Provide expanded coverage for speech therapy

**Goal 2 – Staff Development**

Ensuring a workplace environment that encourages success is essential to realizing our vision, mission and major goals. We are committed to eliminating barriers to success and to developing the capabilities of all staff members. All education and training programs have defined objectives that directly impact the success of individual employees and the organization as a whole. Technical skills training is provided in addition to new employee orientation, diversity, ethics, leadership, safety, and technology training. We will prepare our leaders through training, mentoring, and hiring practices, and will expand our management training program.



**Objective 2.1 – Improve employee satisfaction.**

- Ensure a safe work environment
- Plan and execute the Center's move
- Conduct an annual review of the awards process
- Deploy cross-training
- Conduct an annual staff survey
- Plan actions to improve employee satisfaction

**Objective 2.2 – Manage the impact of electronic claims.**

- Prepare staffing requirements to manage the impact of electronic claims
- Prepare and execute retraining to support employee mobility

**Objective 2.3 – Implement a workforce management plan.**

- Establish recruitment relationships with two institutions per each under-represented minority
- Monitor retirement eligibility and benefits
- Train future managers and leaders

**Goal 3 - Quality Products**

A key aspect of providing quality products is the aggressive management of product change. We actively seek innovative approaches and new challenges. Despite the high pace of our business, we accept the challenge to "do it right the first time." We will reduce error rates and provide accurate information to all customers. We will find new ways to improve processes and empower employees to solve problems at the lowest levels possible.



**Objective 3.1 – Ensure integrity of systems.**

- Implement a matching agreement with the Centers for Medicare & Medicaid Services (CMS)

**Objective 3.2 – "Do it right the first time."**

- Use feedback from the VA Carey Award assessment to improve our operations
- Use feedback from the Colorado Performance Excellence Award assessment to improve our operations
- Create a claims reopen function

### **Objective 3.3 – Integrate Program Management of Fee Program.**

- Complete Fee replacement project software development
- Deploy Fee software to VHA Field Operations
- Establish a Fee vendor unit
- Establish a VAMC/HAC liaison support team
- Implement Fraud, Waste, and Abuse abatement processes for Fee
- Implement business process reengineering for Fee processes

### **Objective 3.4 – Mainstream the Foreign Medical Program.**

- Image all incoming documents
- Implement reporting and workflow support for claims
- Implement reporting and workflow support for customer inquiries

### **Objective 3.5 – Implement a Pharmacy Benefit Management Function.**

### **Objective 3.6 – Implement the National Provider Identifier.**

### **Goal 4 – Save Money**

We will make wise use of our resources — money, manpower, and equipment — to maximize their value. We will increase cost savings and decrease cost per claim by expanding efficiencies through the use of technological improvements and our use of artificial intelligence. We will implement additional state-of-the-art payment methodologies wherever possible.

### **Objective 4.1 – Increase cost savings.**

- Implement a Skilled Nursing Facility Prospective Payment System (PPS)
- Implement a Home Health PPS
- Implement an Outpatient PPS
- Implement a Rehabilitation PPS
- Implement an Ambulance Fee Schedule
- Implement allowables for anesthesia
- Implement allowables for injectibles



### **Objective 4.2 – Decrease cost per claim.**

- Implement Medicare Crossover Agreement
- Implement preferred pricing

### **Goal 5 – Leverage Technology**

We will continue to use our robust, advanced information technology systems to the best advantage by rehosting our systems, expanding electronic data interchange, and web-based applications. We will continue to identify opportunities to improve our business processes through automation and opportunities to expand services to enhance customer service.

### **Objective 5.1 – Automate manual systems.**

- Develop and implement Automated Claims Entry (ACE)
- Implement front-end scanning of all documents
- Eliminate the manual wanding process
- Implement PDI live enhancement, eliminate preprinted PDI cover sheet
- Implement Leading Efficiencies with Automated Dynamic Electronic Routing (LEADER)

### **Objective 5.2 – Improve information management.**

- Implement Phase III of Rehost
- Implement automated reporting
- Apply management use of ad hoc reporting
- Deploy RoboHelp functionality on all desktops
- Implement RoboHelp for policy online (Intranet and Internet)
- Create an HAC Compliance Tool

### **Objective 5.3 – Improve functionality and streamline processes.**

- Implement web-based ClaimCheck® product





## Goal 6 – Compliance with Laws and Regulations

We will expand our internal compliance program, ensure compliance with Equal Employment Opportunity (EEO) requirements, and meet all HIPAA deadlines for privacy and security. We will further clarify regulations defining the CHAMPVA effective date for eligibility; publish Spina Bifida and Children of Women Vietnam Veterans (CWWV) Health Care program travel regulations; and develop CHAMPVA payment regulations. We will seek accreditation.

### Objective 6.1 – Ensure all processes are in compliance.

- Publish revised payment regulations for all programs
- Publish CHAMPVA regulations clarifying dual eligibility
- Publish Spina Bifida and Children of Women Vietnam Veterans travel regulations
- Implement HIPAA security and identifiers
- Achieve URAC accreditation



## HAC Overview

Our primary mission is to administer federal health benefit programs for veterans and their family members. These benefit programs include the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) including the CHAMPVA Inhouse Treatment Initiative and the CHAMPVA Meds by Mail program. We also administer the Spina Bifida Health Care Program and the Children of Women Vietnam Veterans Health Care Program. We also run two programs specifically designed to serve veterans: the Foreign Medical Program (FMP), which provides service to veterans living or traveling throughout the world, and the Fee program, which provides services

to veterans who need care outside of a VA medical center. Our responsibility for these programs includes: benefits management, customer service, outreach and education, and claims processing. For FMP we also manage appeals and fraud, waste and abuse prevention.



Our strategic plan is the result of an ongoing effort that ties planning to budgeting and process improvement. The annual planning cycle includes two off-site sessions for HAC leadership in October and February each year. These provide leadership with opportunities to systematically "look back" at the prior fiscal year's accomplishments compared to the previous year's strategic plan. Leadership also "looks ahead" to establish basic plans for the next three to five fiscal years and to tie plans to the budget call for those future years. The strategic plan is updated and published prior to the beginning of each fiscal year. We also publish a Stakeholders' Report that documents the prior fiscal year's organizational performance.





Health Plan Beneficiary Projection	Individuals Enrolled		
Health Plan Name	EO FY 06	EO FY 07	EO FY 08
CHAMPVA Program	267,774	272,035	275,330
Foreign Medical Program	15,200	16,400	17,600
Spina Bifida Program	1,160	1,160	1,160
CWV Program	20	22	25

Budget Requirements	FY 06	FY 07	FY 08
<b>Medical Service Cost:</b>	<b>\$616,321,764</b>	<b>\$692,852,833</b>	<b>\$776,671,283</b>
CHAMPVA Program	\$597,294,764	\$671,754,833	\$752,756,283
Foreign Medical Program	\$6,673,000	\$7,407,000	\$8,740,000
Spina Bifida Program	\$12,154,000	\$13,491,000	\$14,975,000
CWV Program	\$200,000	\$200,000	\$200,000
<b>Administration Cost:</b>	<b>\$44,087,593</b>	<b>\$52,752,408</b>	<b>\$56,545,990</b>
<b>Facilities Cost:</b>	<b>\$3,113,957</b>	<b>\$3,219,823</b>	<b>\$3,329,306</b>
<b>Grand Total Costs:</b>	<b>\$663,523,314</b>	<b>\$748,825,064</b>	<b>\$836,546,579</b>



## HAC Organization



**Comment or suggestions should be forwarded to:**

The HAC Organizational Development Office,  
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